

September 20, 2000

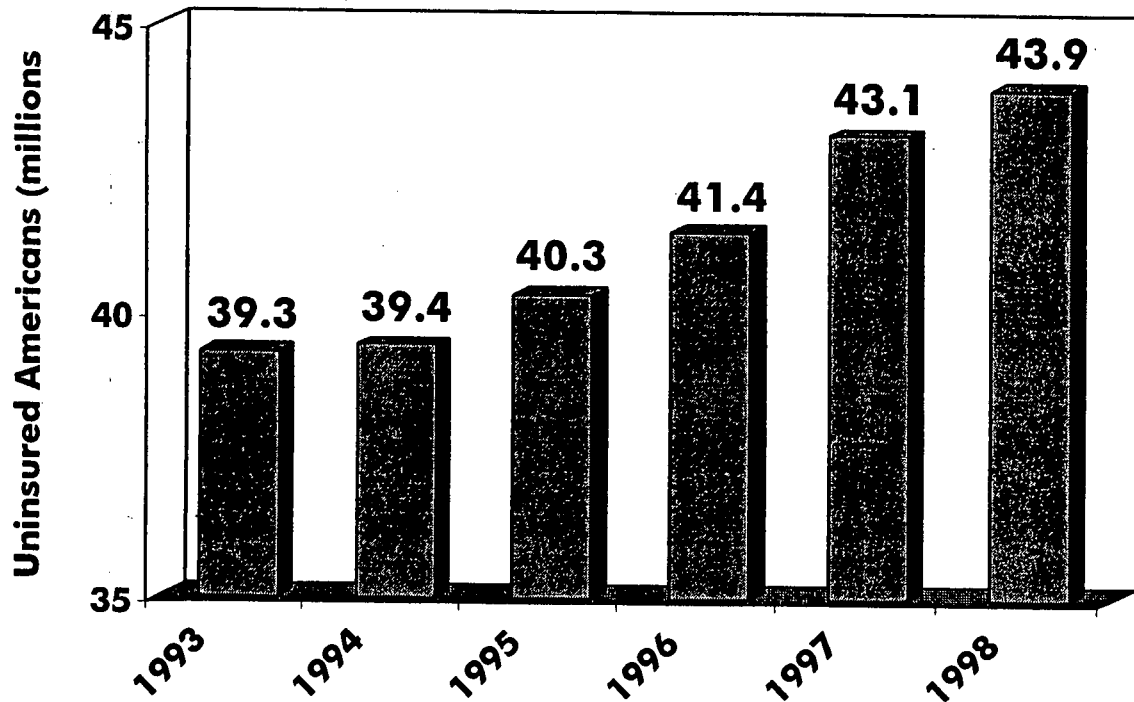
*You Call This "Patient Protection"?*

# Even as Health Premiums Rise 10%, Democrats Still Demand a 4% Lawyer's Surcharge

For years, Democrats have been trying to strangle the private health insurance market and herd Americans into a government-run health care system. For just as long, Senate Republicans have opposed new health care lawsuits and regulations whose cost would increase the number of Americans without health insurance. News of double-digit increases in health premiums demonstrate the Democrats' agenda would be particularly destructive this year.

- In the past year, employers saw their health insurance costs increase 8.3 percent — the largest increase since 1993 and nearly double the increase from the previous year (4.8 percent).
- Most major actuarial firms project **health insurance premiums will rise another 10 percent in 2001**. That estimate does not include the cost of additional lawsuits and mandates Congress may enact.
- The rise in health insurance costs has fueled the increase in Americans who lack health insurance: in 1998, 44 million Americans were uninsured, compared to 39 million in 1993.
- Some 53 percent of small businesses who do not offer health benefits cite cost as the main reason. Fourteen percent of small businesses said they would have to drop their employees' health benefits if costs rose 10 percent, while 46 percent said they would have to change coverage. One-fifth of the uninsured decline coverage their employers do offer because it is still too expensive.
- Democrats are determined to make the situation worse. The Congressional Budget Office estimates **the original Norwood-Dingell bill (H.R. 2990) would increase health premiums an average of 4.1 percent over and above any annual increases**. Since the recent re-write of the Norwood-Dingell bill creates more opportunities to sue employers than the original bill, it could increase premiums even more.

## America's Uninsured Under Clinton-Gore



- Democrats demand costly regulations and lawsuits because they know it will help them achieve their ultimate goal: forcing all Americans into a government-run health care system:

*We're going to get this done, and we're going to keep coming back at it. If we have a big sweep for the Democrats in the House and the Senate, we'll get single payer.* — Senator Ted Kennedy, October 21, 1996

*We will move toward universal health coverage, step by step, starting with all children.* — Vice President Al Gore, August 17, 2000

It's that simple: the more lawsuits and regulations Democrats can enact, the more people they can force out of private insurance, and the more people there will be clamoring for government-run health care. That may serve the interests of bureaucrats and trial lawyers, but it can hardly be called patient protection.

RPC staff contact: Michael F. Cannon, 4-2946

Sources: Employee Benefits Research Institute, Kaiser Family Foundation, Buck Consultants, Deloitte & Touche, Hewitt Associates, National Coalition on Health Care, Towers Perrin, William M. Mercer, Watson Wyatt.